Previous references.

1905-6
(Bank Misc)

File No. 2

Serial Nos.

Later references.

A1914-15 84 2 11

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1, 4 & 5

Part B. for September

SUBJECT.

Recovery of the amts due by the members of the late agricultural Banks at Chikmagalur

FILE No. 2 of 1905-06.

Recovery of the amount from the members of the late Agricultural Bank at Chikmagalur.

1 From the Deputy Commissioner, Kadur District, No. 2, dated 1st July 1905.
Reports that the Agricultural Bank at Chikmagalur has been formally wound-up and submits for sanction certain proposals for the recovery of the amount due by each member, for the supervision of the estates, for advancing money for working expenses, for the audit of the Bank's accounts, for fixing the amount due by each member and for the retention of the services of the Bank clerk till the accounts are finally closed and necessary documents executed by the members.

File No. 3 of 1905.
Do 53 of 1904.
Do 100 of 1896.

4 From the Deputy Commissioner, Kadur District, No. 61, dated 29th July 1905.
Recommends that Messrs. A. Shama Rao and A. Raja Rao, members of the above Bank, may be given some time to pay up their dues to the Bank in a few instalments.

5 To the Deputy Commissioner, Kadur District, the Deputy Commissioner, Hassan District, and the Comptroller to the Government of His Highness the Maharaja No. 1457—9, dated 1st September 1905.
Passes orders on the above proposals and also on those submitted by the Deputy Commissioner of the Hassan District, regarding the estates, etc. of the late Agricultural Bank at Saklespur.

G. P. O.—90

G. R. S. 11] 1905.

GENERAL AND REVENUE SECRETARIAT

(Banking.)

NOTES.

File No. 2 of 05

FILE HEADING.

Recovery of the amount from the members of the late Agricultural Bank at Chitkuliyalur.

From

The Deputy Commissioner - Kadur District

Per No. 2 Dated 1 - 7 - 05 Received 3 - 7 - 05

Diary No. 17	Enclos. 9	Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Reports that the Agricultural Bank at Chitkuliyalur has been formally wound up and submits for sanction certain proposals for the recovery of the amount due by each member; for the supervision of the Estates, for the advance of amounts on account of winding expenses, for the audit of the Banks' accounts to finally fix the amount due by each member & for the retention of the services of the bank clerk till the accounts are finally closed & necessary documents executed by the members.

NOTES AND ORDERS.

With reference to the order of Govt. No. H 4218-21 / 16.33-04-11 of the 5th January 1905 directing the winding up of the Coffee banks, the Dy. Commr. of the Kadur District has submitted a report stating that the bank at Chitkuliyalur has been formally wound up and that the bank papers and accounts

NOTES—First sheet.

MGCPL—50,000—17-2-05.

G.R.S. 12]
General and Revenue
Secretariat.

File No. 2 of 1905

Serial No.

have been taken charge of by the District Sheristadar

As regards the proposal of Govt. to substitute individual liability instead of the joint responsibility for the loans advanced to the bank and also to recover the loan by easy annual instalments the members are reported to be grateful for this and pray that the annual instalments due by them according to this new arrangement may be ordered to be paid in 20 instalments as follows. or as subsequently prayed for vide letter dated by the Dy. Com.

2½% of the amount due for the first five years
5% do —— for the succeeding ten years
7½% do —— for the next five years.

and that the interest due be reduced to 3%.

draft submitted by the Dy. Com.

They further state they are prepared to execute documents to get loans under the Land Improvement Loans Regulation.

Mr. Venkata Rao says that the concession prayed for may be granted after the first instalment is punctually paid up next year and not before.

Mr. Chenniah Chetti suggests that as the members have to pay interest on Rs. 2,93,876 the principal but also on the accumulated interest of nearly 65,000, 3½% may be charged till one-fourth of the debt is cleared when it may be reduced to 3%.

For the purpose of deciding which of the members are to be given the benefit of being treated as debtors under the Land Improvement Regulation and what Estates are to be sold up at once as being in hopeless

NOTE—Contin. sheet.

MGCPB—50,000—17-2-05

G.R.S. 12]
General and Revenue Secretariat.

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Serial No.

condition, Hon. Venkata Rao the Offg. Dy. Comr. has divided the Estates into 3 Classes (Vide list appended).

Class I represents those Estates which are in good condition & whose owners are undoubtedly solvent.

Do. II represents those Estates which are in fair condition & which if carefully worked will become remunerative & capable of paying off a considerable portion of the debt.

Do III represents Estates which are in bad condition and cannot be improved within a reasonable cost.

and states that 14 members coming under classes I & II are to be given the benefit of converting their present loan to one under the Land Improvement Loans Regulation and that the Estates of the remaining 6 members are to be sold at once; but under the circumstances Explained both the Offg. Dy. Comrs Rajah Venkata Rao and Chenjiah Chetty recommend the said 6 members also in the concessions be granted to the rest.

As regards the advance of funds by Govt. for the incoming Expenses of the Estates:- Hon. Collinson is in favor the grant, the members are averse to it and both the Offg. Dy. Commissioners are not in favor of any advance being made on this behalf.

As regards the supervision of the Estates both the Dy. Comrs. are of opinion that it may be entrusted either to

M.G.C.P.B.—20,000—1-11-04

G.R.S. 12]
General and Revenue Secretariat.

File No. 2 of 1905

Serial No.

an Expert as at present or to one of the Revenue Executive officers in the District.

The officiating Dy. Commr. Dr. Chenpiah Chetty submits the following question for the decision of Govt.

Whether the pay and allowances paid to Mr. Wilkinson have to be included in the amount due from the members and, if so, in what proportion each member has to bear it;

and requests sanction in addition to the above proposals for the following:-

(1) the retention of the services of the bank clerk till the accounts are finally closed & necessary documents are executed

(2) the deputation of an Accountant from the Comptroller's office to audit the bank accounts with a view to the amount due by each member being finally fixed.

The Offg. Dy. Commr. solicits early orders to enable the members to arrange for getting working Expenses Elsewhere

Put up
7-7-05.

Subj
BR

+ The connected files were laid before Hon'ble Mr. Stokes on 25-8-05.

8/7/05.

The officiating D. Coll. not Chenpiah Chetty has forwarded with his letter a copy of the letter drafted by his predecessor Mr. Richardson. In their draft Govt. it is stated that the Collr. recommend

MGCPB—20,000—1-11-04.

Serial No.

Bank at Chittagong has been finally wound up by resolution passed at a general Meeting of the Bank Members. A copy of the proceedings of the said Meeting which was sent by the President of the Bank has not been forwarded. This may be sent for.

The D.C. reports that the District Magistrate has been directed to take charge of the Bank papers and examine and report on them. In what capacity he has been directed does not appear from the papers submitted.

The property mortgaged to Government has considerably deteriorated owing to causes which need not be mentioned and if the price of coffee does not still further there will be a great deterioration. The best course seems to be to fix a reasonable time say three or six months, for sale of all the properties, and to realize as much of the Government debt as possible. Mr Pilkington is of opinion that Government would benefit by

more

NOTE—Contn. sheet

Serial No.

by the immediate sale of all the estates than by permitting the members to repay their loans in annual instal-ments. Should at such sale any combination or firm want of keen or proper competition or other causes the price realized fall much below the amount of debt due to Government Government may buy in the estates and afterwards arrange for their management either through an expert or by a specially appointed officer of Government. Or the Government may pass such orders as may be deemed proper after knowing the result of the sale. It is by sale we can test the real condition of the members, the proper value of the estates and see whether the members are able to arrange pri-vately for payment of debts and pre-vention of sale. After the estates are bought in by Government it may be easy to separate the best portions from the rest issuing the former only for manage-ment by Government as economically as possible and subsequently selling the unplanted portions or thinning them

NOTE—Contn. sheet

Serial No.

open to Darkest with an upset pri
the members of the Unsk
are now classified under three
heads viz:— 1) those who are solvent
at present 2) those who may become
solvent hereafter and 3) those who are
unlikely ever to be solvent. The O(ans)
proposes three different kinds of treat-
-ment for the above classes. It is not
imputable that the same circumstances which
reduced some of the members to a stat
of bankruptcy may present them-
-selves again to paralyze the members
of the second class and effect also
a change for the worse in the case of the
members of class 1. Under these
circumstances it seems neither safe nor
prudent to grant the unusually long
term of 20 years for the settlement of the
heavy debts due to government and further
to reduce the rate of interest. In British
India even loans granted to Municipal
and Local Funds bear a much higher
rate of interest than 4 per cent, and it
seems undeniable that in addition to
the concession of extended time ~~for~~ and
payment by easy instalments, these Unsk

Note.—Contn. sheet.

Serial No.

be also a reduction of interest to the very low figure of 3 per cent.

Mr Venkatarai has pointed out the apparent ~~of~~ injustice with reference to the Bank loans under the Land Improvement Loans Regulation and the question has been very recently discussed in the Judicial Board and orders modifying the original orders are are under issue this day.

As to the Coffee Planters are not in favour of granting further advances for working expenses and in the arrangement sanctioned in November 1902 provided a failure a further expenditure of the kind is not likely to improve matters. ~~Should Government have decide to accede~~

Should Government however decide to accede to the Planters proposals and extend the time for payment of instalments and authorize the execution of separate documents by the members who are indebted to the Bank for the Deed submitted by the Planters has to be settled in the Judicial Board and approved.

NOTE.—Contn. sheet

MGCPB—50,000—17-2-05

Serial No.

The points requiring orders are these:-

1) Whether Mr. Pilkington's pay and allowances have to be added to the debt due by the Members and in proportion to the debt due by each?

As his pay was debited to the loan granted to the Bank the answer to this question is in the affirmative. If

2) Whether the cimies of Clerk Vaniyampadi should be retained till the Government accounts of the Bank are finally closed?

3) Whether an accountant from the Comptroller's office should be deputed to audit the Bank accounts?

If a liquidator be appointed it will be his duty to examine and report on the accounts. If

4) Whether further advances for working expenses should be granted by Govt?

5) Whether the Bank's proposals for extension of time, payment by instalments and reduction of interest should be sanctioned and Govt. what other steps should be taken for the recovery of the debt due to Government?

Noted Dewan
8.7.05

Submitted to the Dewan Sahib for orders.

7571/8.7.05

8.7.1905

Dewan

8-7-05

Note.—Contn. sheet.

MGCPB—50,000—17-2-05

G.R.S. 12]

General and Revenue Secretariat.

File No. 2 of 1905

Serial No.

4 From the Deputy Commissioner - Kadur District - No. 61 of 29-7-05

Recommends that the terms proposed by Messrs. A. Shama Rao and S. Raja Rao for the repayment of the loans due by them to the late Agricultural Bank at Chikmagalur may be accepted.

The Dy. Commissioner's letter No. 2 of the 1905 received 1st inst. was submitted to the Dewan Sahib on 8-7-05. Papers to be submitted in connection.

BK 0008 2/8/05 - 218

submitted to secy for orders 2-8-05

Submitted to the Dewan Sahib for orders 4-8-1905

4-8-05

5 To The Dy. Commissioner - Kadur District
do — do — Hassan Distt
Comptroller -
No. 1457-9 of 1-9-05

Papers ordered on the proposals made by the Dy. Commrs. of Kadur & Hassan Districts re the recovery of the amounts due by each member the supervision of the Estates, the advance of money on account of working Expenses, the audit of banks' accounts, the sale of some of the Estates &c.

B/

MGCPB—20,000—1-11-04

S. 17
11 Rec 3/1/05

190

From S.O.

The Deputy Commissioner
Kaira Dt

To

The Secretary to the
Govt of Bombay
General & Rev Dept

Dated 1st

Despatched 2nd July 05

Received

General No. 2
No.

Enclosure No. Nine.

Submitting
his observations on
the Co-op Agricultural
Bank at Chikmagalur

Chikmagalur 1st July 1905

From

M Chengiah Chetti Esq, B.A.
Offg: Deputy Commissioner
Kadur ~~District~~

To

B. M. Venkatavaradangar Esq
Secretary to the Govt of Mysore
General and Revenue dept to

Sir,

With reference to G.O. No ~~FC~~ 4218–21 / B. 33–04–11 dated 6th January 1905, I have the honor to forward a copy of the letter drafted by the officiating Deputy Commissioner, M/s N. Venkata Rao, after carefully studying the records and discussing fully with the Inspector M/s Pilkington, who is well acquainted with the condition of the estates hypothecated to the Bank, with a few observations of my own.

2. These remarks of mine are the outcome of my interview with most of the members individually and enquiries from others.

3. The members one and all are grateful to Government for its proposal to substitute individual liability instead of the joint responsibility and also to recover the loans by easy annual instalments.

4 Under these circumstances, they are seriously anxious that they should take steps to make these payments regularly and punctually.

5. To accomplish this, they look up to their estates as in the majority of instances, they have no other source of income.

6. Since 1896, the price of coffee has commenced to decline and there seems to be no prospect of its sudden rise in the near future so long as the English market is glutted with the Brazil coffee. It is the wish of every member to make up the fall in his income by increasing the produce as far as practicable. To bring about this result, a large quantity of manure is required, and it is an expensive item in the working charges. Most of the members therefore pray that the annual instalments may be ordered to be paid as follows:—
For the first five years 2½ per cent, 5% for 10 years and 7½% for the next 5 years.

7 As it is reported that the estates with a few exceptions are in a better condition than they were at the commencement,

I am of opinion that if their request is conceded to, the Government will find the value of the hypothecated properties enhanced in course of time.

8. As regards the rate of interest to be paid by them, the members earnestly solicit that the rate be reduced to 3%.

9 In deciding this question, it should be considered that the amount of loan is very large and that the members are in reduced circumstances, and generally speaking, their all in all are their estates and they will have to pay interest not only on Rs 2,93,876 the principal but also on the accumulated interest of nearly Rs 65,000/. In these circumstances, I would suggest 3½% interest being charged till one-fourth of the debt is cleared, when it may be reduced to 3%.

10 In regard to the payment of working expenses by Government, I hold the same view as Mr Venkata Rao. The past experience as detailed in the G.O. quoted above is not encouraging. The members should be made to shift for themselves and have recourse to their own resources. It is only then they will exert themselves to do

the

the needful. They will be at liberty to raise loans on the mortgage of the crops for working expenses subject to the Government lien on the same to the extent of the annual instalment due to Government.

11 Except Mr Shekhalli who is a solvent member and whose estates are reputed to be in very good condition, all are averse to taking advances from Government and are making attempts to get funds elsewhere. The only reason why Mr Shekhalli applies for loan is the cheap rate of interest at which he will get the amount from Government. I am not therefore, in favour of granting him any loan for the present.

12. At any rate we may wait nine months more when the payment of the 1st instalment will fall due, as to what steps each member has taken to improve the condition of his estate and to what extent the private lenders have come forward to help them under the altered circumstances.

13. This arrangement does not contemplate the systematic inspection of the

estates once or twice a year by an expert or a Revenue Officer.

14. I also consider that the 6 members whose estates have been classed as fit to be sold under the Government Proceedings may also be given time for the reasons given in paras 6 to 8 of Mr Venkata Rao's letter. But as regards two of them viz: Raja Rao and Shama Rao, a separate report will be shortly submitted after further investigation.

15. I also enclose a list of the members shewing the number of instalments at which they propose to liquidate the Government loans. A draft of the agreement to be taken from each member is also submitted for approval.

16 It has to be decided whether the pay and allowances paid to Mr Pilkington have to be included in the amount due from the members and, if so, in what proportion each member has to bear it.

17 One S. Narasinga Rao has been working as a clerk on Rs 20/- in the Bank for the past 8 years. Sanction is solicited to retain his services till such time as accounts are finally closed and necessary documents executed, when I shall endea-

vour

vour to provide him with a suitable appointment in the District.

18 As the accounts of the Bank have to be overhauled completely, and the amount due by each member finally fixed, I would suggest that an Accountant from the Comptroller's office may be deputed to audit the accounts.

19 Early orders are solicited to enable the members to arrange for getting working experience elsewhere on the strength of the bonds to be executed by them in favor of Government.

20. Mr. Pilkington's reports dated 30th April and 11th May 1905, are also forwarded in original for kind reference and obliging return.

I have the honor to be,

Sir,

Your most obedt. Servant,

Pilkington

Offg: Deputy Commissioner

Kadur District

VM.

List showing the names of members of the late

No.	Names	amount due up to end of March 1905, as per Bank account			Conditions of repa
1	Mr A. Chendre Gowda	13,761	1	5	To pay up the amount a
2	" G. Sheikali Saheb	26,312	4	7	To pay up the amount at 3 not less than Rs 7,500 for e
3	" J. Chennabasappa Shetty	35,674	5	4	Promises to pay up in 15 years the rest in 12 equal annual i
4	" C. Basave Gowda	32,639	9	6	To pay up as follows:- For the 1st 5 5 years 7½ p.c of the whole am
5	" Rama Rao	13,208	10	4	
6	" P. Jagannatha Rao	11,323	4	3	
7	" G. Abdul Khader Sab	17,450	-	6	
8	" K. Sivappa Setty	4,203	9	11	Same as a
9	" D. Viranna Gowda	8,194	6	.	
10	" R. Ganesha Rao	10,097	4	11	
11	" C. Vasudeva Rao	43,445	8	7	
12	" A. Shama Rao	40,221 350	8 10	8 1	Separate report will fo
13	" B. Rangamma	3,931	6	3	To pay up in 16 years at the rate o rate of 7½ p.c during the remi
14	" T. Raghavendrappa	40,297	5	1	Same as 2
15	" C. Sreenivasa Rao	43,956	6	7	— Do —
16	" S. Raja Rao	5,925	10	5	Separate report will f
17	" Sivaji Ramachendra	2,523	13	5	Same as
18	" B. Sitaramiah	3,193	8	3	— Do.
19	" B. Ranga Rao	2,564	12	.	— Do
20	" K. Hanumanta Rao	3,691	4	8	— Di

Agricultural Bank at Chikmagalur

ments prayed for by them	Remarks
3 per cent interest in 5 annual instalments	
n cent interest in the course of 12 years at a rate y 3 years.	
the rate of 3 p.c of the loan during the 1st 8 years of instalments, the rate of interest being 3 p.c. ears 2½ p.c, next 10 years 5 p.c & the remaining per annum at 3 p.c. interest	
4	
low	
2½ p.c. of the amount during the 1st 4 years & at the ining 12 years, the interest being 3 p.c.	
4	
low	
2 & 4	

Offg Deputy Commissioner
Kadur District

According to the instructions contained in the Government Proceedings No 7E. 4218-21 / 33-04-11 dated 6th January 1905, I have the honor to report as follows:— —

2. Pursuant to the directions contained in para 5 of the said Proceedings, the Coffee Agricultural Bank at Chikmagalur has been formally wound up by a General meeting of the Bank members. The President of the Bank has sent me a copy of the General Meeting's proceedings which is herein enclosed.

3. The members of the Bank are prepared to execute documents to Government under the Land Improvement Loans Regulation whereby they will be relieved of their present joint-liability and each member will be held responsible for his own debt

4. The Bank papers and accounts have been taken charge of by the District Shamistadar.

5. The next thing to be done under the instructions contained in sub-paras 1 to 6 of para 5 of the said proceedings is to decide which of the members are to be given the benefit of being treated as debtors under the Land Improvement Regulation; and what estates are to be sold up at once as being in hopeless condition. For this purpose, I have divided the estates into three classes (vide list appended). Class I represents those estates which are in good condition and whose owners are undoubtedly solvent. Class II represents those estates which are in fair condition and which, if carefully worked will become remunerative and capable of paying off a considerable

considerable portion of the debt; Class III represents estates which are in bad condition and cannot be improved within reasonable cost.

6. According to the above classification, three members come under class I, eleven under class II and six under class III. Thus, 14 members come under classes I and II. These are to be given the benefit of converting their present loan to one under the Land Improvement Loans Regulation. The estates of the remaining six members are to be sold at once under the aforesaid proceedings of Government, but the following considerations lead me to recommend these also for the concessions to be granted to the rest.

7. If we sell the Estates of the third class members at once, I fear that few will come forward to purchase them in their present condition and that Government will have to buy them in. After buying them in, the estates should either be worked by Government Agency or abandoned. The latter is not probable, as in that case, the estates might as well be restored to their owners and the loans granted to them written off the accounts. If then follows that they should be worked, but the question arises "with what object", since the immediate sale of these estates is due to the assumption that their condition is too bad to admit of being improved so as to make them remunerative within reasonable cost. Hence,

hence it seems to me that it makes no difference whether we sell these immediately or after a few months in the members failing to pay the instalment due at the close of the current year.

8. I believe that every one of these six members is as anxious as the members of the class I and II, to save her estate and that she still believes that if one more chance were given him, he might use his best efforts and all his resources (some known and others unknown to us) to repay the loan by easy instalments these III^rd class members can at least pick what crops their unworked estates will yield and pay the proceeds to Government together with

the balance, if any, of the instal-
ment from other resources. It
is also believed that hitherto
none of the members ever deli-
vered all their crops to the
Bank as promised by them
and that they will do so now.
This might enable them to
repay the loan in twenty
instalments as desired by
Government.

9. There is very good authority
to say that the present low
prices of coffee only means
a loss in the shape of reduced
profit to estate owners and
that this will be so, even if
the price goes down to Rs 6
(present price Rs 8 and odd) per
maund and that properly
worked estates are still re-
munerative. Such being
the case, the present poverty
of the Bank members must be
put down to other causes of

of which the following is one:-

10. If the loan of Rs three lakhs granted to the Bank had been spent on the improvement of the estates, the result would have been very different and satisfactory; but under the orders of Government, nearly two thirds of this amount went towards releasing the estates hypothecated to the Bank from previous encumbrances and towards repayment of other private debts of the members. Thus the balance left for improving the estates was hardly sufficient for that purpose and the members of the Bank were unable to borrow outside as the Sowcars were aware of the fact that all their immovable properties had been hypothecated to the Bank and would not lend.

them money. Thus, the work of improving the estates had to be put off for want of funds. The initial mistake lay in compelling the Bank members to pay up all their private debts out of the money lent by the Bank solely for the improvement of their estates.

see art 44 of the Report

11. For the above reasons I would recommend the 3rd class members also for the grant of the concession of repaying their loans by easy instalments. The taking of coercive steps is always in our hands and may be adopted at once on the first failure of the members to pay any one of the instalments.

12. The members of the Bank pray that they might be permitted to repay the loan in twenty instalments as specified

2½% for 5 years.
5½% for 10 yrs. &
7½% for the next 5 years.

specified in the margin and that the rate of interest may be reduced to 3 per cent. This concession, I beg to submit, may be granted after the first instalment is punctually paid up next year and not before.

13. As regards the working expenses, Mr Pilkington thinks that Government should pay it and that it should not allow the members to borrow outside, as we can then see that the estates are properly worked and also have a hold upon their crops. The members of the Bank are however averse to taking advances from Government to meet the working expenses not only for the reason that they

power to borrow outside will be lost but also on the ground that close supervision of their work by Government agency which will be insisted upon, if funds were granted by Government, will not leave them free to follow their own system of working and that constant interference on the part of the Government agent is distasteful to them.

14. In my opinion, it is not necessary and desirable for Government to spend any more money on these estates but I would certainly maintain Government supervision over the working of the estates by the owners and the harvesting and the disposal of the crops by them. This supervision work may be entrusted either to an expert as at present, or

to one of the Revenue Executive officers in the District

15. As regards the conversion of the loan to one under the Land Improvement Loans Regulation, I have personally submitted that certain technical difficulties come in the way of such conversion. In the Land Improvement Loans Regulation, there is no provision for loans granted under other Regulations being brought under its operation. As however, there is no difficulty in carrying out the intention of Government to release the Bank members from their joint liability and enforce only individual responsibility even under the Joint Stock Company's Regulation and

and the Articles of Association, there appears to be no need to transfer the loan to Land Improvement Loans Regulation. Also, the recovery of the loan by instalments is not in my opinion opposed to the provisions of the Joint Stock company's Regulation.

16. I beg also to submit that pending orders on this reference, I have attached the current year's coffee crops of the Bank members under Section 74 of the Articles of Association and the Regulation No I — of — 1901 — which is a reproduction of the said section. Flag 'i' Flag 'y'

17. The services of a clerk who was working in the Bank have been retained, as he will be useful and necessary

necessary for maintaining current correspondence relating to the Bank and readily furnishing needful information when required. Government sanction for the retention of the clerk is solicited.

18. I had directed the District Sheristadars to take charge of the Bank papers and to submit a report to me, regarding any defects or irregularities in them, or in the Bank transactions which might be found by their after thorough Examination. He promised to do it, but put it off till I left Karur District. As the Sheristadar is now on leave I have written to Mr. Thengiah chetty to have the Bank

Bank papers thoroughly examined once more.

(Initialled)
C.N.V

"Coby"

Offg Deputy Commissioner
Kadur Sb

VM

List of Bank members falling under classes I, II & III.

class I.

1. Thandra Gowda.
2. Sheikalli Sab.
3. Thennabasappa Chetty

class II.

1. Hanumantha Rao
2. Sitaramiah
3. Sivappa Chetty
4. Basava Gowda
5. Veeranna Gowda
6. Lala Gundappa
7. Rangamma
8. B. Ranga Rao
9. b. Srinivasa Rao.
10. b. Vasudeva Rao.
11. Raghavendrappa

III. 1. Raja Rao.
2. Sharma Rao.
3. Ganesha Rao
4. Abdul Khadir Sab
5. Sivaji Ramachandra Ra
6. Jagannatha Rao.

Copy.

(Sd/-).
b. N. K.

M. Offg. Deputy Commissioner

Document dated

executed by

to the Deputy Commissioner,
Kadur District.

Whereas by the winding up of the Chikmagalur Agri-cultural Bank of which I was a member in consideration of having obtained loans from the said Bank and for which I have mortgaged the margin-ally noted properties belonging to me and now in my pos-session and holding as security for the loans so obtained and in virtue of the said Bank's assets and liabilities having been transferred to Government, I do hereby agree to mortgage the above named properties in favor of the Deputy Commis-sioner, Kadur District, on behalf of the Government of His Highness the Maharaja of Mysore, as security for the sum of Rs calculated with interest, to be due from me up to and do bind myself to

repay the said amount in
the course of years in
instalments as noted below
at the rate of per cent
per annum, Simple interest;
failing to pay all or any of
which instalments, my proper-
-ties may of right be proceed-
-ed against and the loan re-
-covered as an arrear of land
revenue as ordered in para
of Government Proceedings
No. Dated

[Here enter conditions of repayment].

2. I further declare that in
any case in which I raise
loans elsewhere on the security
of my standing Coffee crop
for the up keep of my estates,
I do so subject to the Govern-
-ment lien upon the crop
to the extent of that years
instalment.

Draft.

Gpbs. Deputy Commissioner,

Kadur Dist

KN.

Under the orders of the Registrar on the requisition received from the Dy. Comr. of the Kadur District No. 436 of 6-12-05 (D. No. 2503) the following communications have been detached from the file.

(1) Letter No. 128/Enc. 3 of 31-4-05 from Mr. Pilkington to Dy. Comr. Kadur Dt.

(2) Enclosures to the above.

(a) Mr. Pilkington's notes on the individual members

(b) Mr. Pilkington's reply to Dy. Comrs D.O. of 22/23-4-05.

(c) Statement referred to in (b)

(3) Letter No. 332 of 11-5-05 from Mr. Pilkington to Dy. Comr. Kadur Dt

11 rule 1/8/05 D. 443

190 File No. 2 of H.A.

From

The Deputy Commissioner
Kadur Dt

To

The Secretary to the
Govt. of Mysore
Revl Dept

Dated 29th

Despatched 31st July 05

Received

General No. 61
No.

Enclosure No. Nil

Recommending
that Messrs A. Shamanna
& S. Raja Rao, members
of the late 'Agricultural
Bank may be allowed
time to pay their debts

Camp Kadavur 29th July 1905

From

A. H. Thomas Esq. I.C.S.
Deputy Commissioner.
Kadavur

To

P.S. to K. Venkatasubbiengar Esq.
Secretary to the
Government of Mysore.
General & Revenue Depts

Sir,

In continuation of my Fdn No: 2 of 1905
Rn. No. 2 of the 15th instant, I have the honour to report that I inspected Mrs. A. Sharma Rao's lands which have been mortgaged to the Agricultural Bank for a sum of Rs 11,000 odd, and learnt that Coffee plants in about 40 acres out of 70 Ac 36 G. have been destroyed by borers. Besides, his brother who was managing the estate died of plague last year. He therefore begs that he may be allowed to repay the loan by instalments as follows:—

2 per cent for the 1st 2 years

2½ per cent for the next 3 years;

5½ " " for the next 2 years;

5. " " for the next 8 years;

& 1½ per cent for the rest.

Considering the present condition of his estate and the reverses that have befallen him, I would recommend that the concession prayed for may be granted. He has also to pay a sum of Rs. 815.14.9 on account of assessment on his lands which he promises to liquidate out of the amount the intends borrowing for working expenses during the current year.

2. Aggegaraddi Shimoga Raiyan Rao who is indebted in the Bank to the extent of Rs 6000/- and who is a pleader practising at Shimoga, it is ascertained from the enquiries made at Shimoga that he has neither house nor any lands at that place, and is living with his

his brothers. He originally purchased his coffee estate for Rs. 8,000/-; but it is now estimated at about Rs. 5000/-. The Accountant reports that out of A 13 & B 33, grants were refunded, up to, and including this year through the Government Treasury. Raja Rao proposes that in consideration of the heavy loss he has sustained, he may be allowed to repay the amount by annual instalments without any interest. He agrees to keep the carriage road in working order and give the crops in Government land without taking any portion of it for his own use. His estate is now under the management of Messrs. Srinivasa Rao and Vasudeva Rao. The former has agreed to hold himself responsible for the delivery of the crops to Government as agreed by Raja Rao. As there is no likelihood of realizing any amount by the sale of the estate now, I would suggest that the terms proposed by Raja Rao may be accepted.

I have the honour to be
Sir,
Your most obedient Servant

File No: 2 of 1905-6.

(11:5.)

Read G. O. No. H 4218-21 — B., 33-04-11, dated 6th January 1905, directing the winding up of the Coffee Banks at Sakleshpur and Chikmagalur and issuing certain instructions for dealing with the indebted estates for the future.

Our letter No 1084/4/B dated 30th June 1905 from the Dy Commissioner of Hassan asking for an advance of money for the working expenses of the coffee estates lapsed and leased to the Sakleshpur Agricultural Bank and submitting proposals for the disposal and management of certain estates and for the sale of others.

(3). Do from the

28 VIII 05

29.8.1905

V 8 05

Dy. Commissioner of Kadur
~~submitting~~ his No 2,
dated 1st July 1905, submitting
his observations regarding
the bank at Chikmagalur,
(4) Do Do No 61 dated the
29th July 1905, recommending
certain concessions
to two of the members,
to A. Shama Rao and
C. Raja Rao.

Order thereon No Ms 1457-9
B 2-05-5
Dated 1st Septr/05

In the first of the ~~Govt~~
orders read above the
Government directed
that as a preliminary
to dealing with the members
individually, the Dy. Commissioner
of Hassan and Kadur
should take action
for winding up the
banks at Sakleshpur
and Chikmagalur
and laid down certain
broad principles to be
observed in dealing
with the estates indi-
-vidually. ~~Since now~~

Both the Dy. Commrs have now reported that the banks have been formally wound up and have submitted certain proposals based on the above referred principles for the sanction of Government.

2. The proposals of the Dy. Commr of Hassan may be summarised as below —

(1) Sanction of separate advances for working expenses to the estate owners of estates mortgaged to the Lake Sahkareri Bank as detailed in the accompanying list A, amounting in all to Rs 24521-2-9 for the current official year viz 85 A & 179 assessed at Rs. 85-8

(2) The sale of a portion of the Kirkalli estate belonging to Dyavegowda and Ramegowda to Mr. H. T. Anderson for Rs 946-12-0, and the sale by auction of the remaining portion of the estate viz 135 A & 1 G assessed at Rs 134-12-0, unless any advantageous

offers are received in the meanwhile.

(3) the postponement of the sales of leasable estate belonging to Mr. R. Subbiah and of Sundaram estate belonging to Mr. S. Seenuvasa

(4) the appointment of Mr. J. G. H. Crawford of Attibon estate as a separate Inspector for the supervision of the estates exclusively for the Kaisan district, on a monthly pay of Rs. 150.

(5) permission to sell the three detached blocks of the Udemar estate mentioned in Statement B instead of separately, as Wellhalli block whose sale has already been ordered is likely in that case, to offer an attraction for the other two blocks also.

3. The proposals of the Dy. Commr of Kadur are

(1) that the estate-owners from whom loans are due by Govt may as desired by them be permitted to pay the loan for during the first five years of the

rate of 2½ per cent annually, at 5 per cent for the next ten years and for the each period of 5 years at 7½ per cent,

(2) that inasmuch as interest has been paid by the members not only on the original loan of Rs 2,93,876 due to Government, but also on the accumulated interest of nearly Rs 65000, the rate of interest may be reduced from 4 to 3½ per cent, and when one-fourth of the total debt is discharged, the interest may be further reduced to 3 per cent,

(3) that the owners of estates may as generally desired, be given liberty to raise loans on the mortgage of their estates for working expenses which however to the Government lien on the estate to the extent of

the annual instalment
due to Government,

(4) that the six members
whose estates have
been classed as fit to
be sold in Govt. Pro:
must above may also
be given time to pay their
dues,

(5) that sanction may
be accorded to retain
the services of the Bank
Clerk, S. Narasinga Rao
on his pay of Rs 20 till such
time as the accounts
are finally closed and
the necessary documents
obtained,

(6) that as the accounts
of the bank have to be
overhauled and the
amount due by each
member finally fixed,
an accountant from
the Comptroller's office
may be deputed to audit
the accounts.

If the proposal of the
Dy. Commissioner to grant time to the six

x name
1) Abdul Khader Sab
2) Jagannatha Rao

3) M. Ganesa Rao.
4) V. Shamarao
5) S. G. Rajarao.
6) Swaji Ramachendra Rao.

4

members mentioned in list I attached to G.O No Jdl 4218 — 21 — B,; — B 33 — 04 — 11 dated 6th January 05, as those whose estates are to be sold after the bank was wound up, is accepted, but the members should be informed that the postponement of sale will be only till the next harvest, when if the instalment due is not paid up in full, action will at once be taken to proceed with the sale.

5. Regarding the sale of a portion of the Kirkalli estate to Mr. Anderson, the Dy. Commissioner of Hassan is referred to the orders contained in G. O No. H. 85 — 6 B 33 — 04 — 24 dated the 5th July 05 where sanction for the purpose has already been conveyed. It is not known whether as required before giving effect to the order, the Dy. Commissioner has intimated the acceptance

of Government to the present
proprietor of the estate
and considered what
he has said in reply.
The remaining portion
of the Kirkalli estate
may also be sold by auction,
if no advantageous
offers be received in the
meanwhile, the Kalali
estate of Mr. R. Subbiah
need not be sold at present,
as it is reported that it
has much improved
in appearance and its
crop for 1905-'06 is
calculated to yield
a good surplus over
the expenditure. The
further enquiries referred
to by the Dy. Commissioner
regarding the Nadiff estate
may be made as to a likely
purchaser, and failing
whom, there appears
to be no alternative but
to sell it by auction. In
consideration of the
improved condition of
the S. Sreenivasa Sundaram
estate, that it may
remain unsold for

the present and an advance of Rs 28 ors applied for by him for working expenses, may, as already sanctioned be given on the security of the next crop. The sale of the Veelhalli block belonging to the Udevar estate has been already sanctioned in G. O No H 6994—6-B. 33-04 dated 15th April 1905. The Dy. Commissioner's present proposal to sell the other two block together and the Veelhalli block together is approved as it is likely that the Veelhalli block will offer an inducement to purchasers to buy the other two blocks also.

6. While the Dy. Commr of Kadur makes proposals as enumerated above regarding a reduction both in the rate of interest as well as

in the amount of annual instalments, the Dy. Commr of Hassan is silent on the point, presumably because no change in the existing condition is required. In the cases of two of the planters, A. Shamrao and Shivaya Raja Rao, the Dy. Commissioner of Kadur also makes certain special recommendations. He proposes that Shamrao may be allowed to pay 2 per cent of the loan for the first two years, 2½ per cent for the next three years, 5½ per cent for the next two years, 5 per cent for the next eight years and 7½ per cent for the last five years. In the case of Raja Rao, the proposal is that he may be allowed to repay the loan by annual instalments without interest equal to the full value of the annual yield of coffee from the estate, without any deduction from

for working expenses, which he would have to find from his own resources. In view of the past disappointments, the Govt are not disposed to grant any of the concessions mentioned by the Dy. Commissioner. The loan will bear continue to bear interest at the usual rate of 4 per cent and will be repaid by equal instalments in a period of twenty years, the amount

Chikmagalur bank should be informed that their request for a reduction of the annual instalment of the loan during the first five years can only be considered after the first instalment under the new arrangement is punctually paid up.

7. The working expenses asked for by the Dy. Commr of Hassan, amounting to Rs 24521-2-9 for the current official year have already been sanctioned in G. O. No. $\frac{71838-9}{B\ 3-05-2}$ dated the 29th July/05. The members of the late Chikmagalur Bank may be allowed to make their own arrangements to obtain loans advances from private persons

for working expenses. They are however expected to keep the estates in an improved condition and to allow proper facilities to authorized officers of Government to periodically inspect the estates and satisfy themselves that they have not deteriorated. In this connection, it may also be stated that Mr. Crawford's employment as an Inspector specifically for Kalutara is not desirable and cannot be sanctioned. The Commissioners should arrange for occasional inspection of the estates and satisfy themselves that their condition is not deteriorating.

8. The Comptroller to the Government will be requested to depute a suitable officer to audit the accounts of the Estate Chikungunya Bank and help the Dy. Commr in fixing the exact amount due to Government from each member, including the share of pay and allowances drawn by Mr Gillespie during the period of his employment as per R. 3176-80 of the 11.2.03, R. 1639-42 of the 31.3.03, & R. 1514-70 of the 10.9.04.

~~The Senior Clerk~~ allowances of the accountant as well as,

~~The Senior Clerk~~ ~~will~~ work is completed, ~~the Senior~~ ~~of Clerk~~ Narangoda may be retained as a clerk on Rs 20 as proposed by the Dy. Commissioner

9. The forms of bonds to be obtained from the members are approved,

be understood that the cost is borne only by the members themselves.

and the Dy. Commissioners
are requested to give effect
to the new arrangement
as early as possible and
submit a final report
for the information of
Government.

29.8.1905.

25. 8. '05.

Secretary.

To the Dy. Commissioner
Hazara Dt/u

——— do — Kaira Dt/u

— the Comptroller to
Govt/u.

Issued
with
Dt.
31/8

DRAFT FORM OF AGREEMENT.

WHEREAS the late Coffee Bank of ----------
since ordered to be wound up, of which I was a member, owed a sum of Rs ----- or thereabouts to the Government of His Highness the Maharaja of Mysore, and all the members of such Bank are, under Regulation II of 1903, liable both jointly and severally for the repayment of the said loan to Government,

AND WHEREAS the Government, instead of enforcing my joint and several liability as aforesaid, - have been pleased to hold me liable only for such - portion of the debt as is individually apportionate to my share, viz., Rs.-------:

NOW THEREFORE, in consideration of the facts above recited, I hereby acknowledge and declare that the said sum of Rs.-------- is and continues to be lawfully due from me to Government with interest at _____ per cent. per annum:

AND I agree to repay the said sum of Rs.-- -- with the interest due thereon in annual instalments of not less than Rs. ------ within ------ years:

AND further agree that in the event of my making default in the payment of any one of

said annual instalments, the whole of the said sum with the interest thereon shall become due at once and may be recovered from me as an arrear of land revenue, without prejudice to any other remedies which may be available to Government for the recovery thereof:

AND as security for the repayment of the said sum with the interest thereon, I hereby hypothecate [or mortgage with or without possession, as the case may be] the scheduled properties belonging to me:

AND, lastly, I declare that, in any case in which I raise a loan elsewhere on the security of the crop standing on any of the scheduled properties, such loan shall be subject and shall yield precedence to the Government lien upon the crop for the repayment of the annual instalment due to Government under this agreement, and for any advance of money taken by me from Government from time to time for working expenses.

IN WITNESS WHEREOF, I hereto affix my signature in the presence of witnesses, this the ---day of -----190

Witnesses.

Signature.

S C H E D U L E